

Libby Community Advisory Group Meeting Summary

February 13, 2003

Introductions

Gerald Mueller and members of the Libby Community Advisory Group (CAG) introduced themselves. A list of the members and visitors in attendance is attached below as Appendix 1. Bob Zimmerman stated that he is rejoining the CAG.

Agenda

Mr. Mueller reviewed an agenda for this meeting, including the following topics:

- EPA Report
- ATSDR Report
- Asbestos Research Grant Update
- Mayor Berget
- CARD Clinic Report
- Public Comment

ATSDR Report

Dan Strausbaugh introduced Dr. Jill Dyken, ATSDR's lead investigator for the Libby Public Health Assessment. Using a Power Point presentation, Dr. Dyken summarized the results of the draft report on the public health assessment. ATSDR is soliciting written comments on the draft report through March 14, 2003. Chief, Program Evaluation, Records and Information Services Branch/ATSDR 1600 Clifton Road, NE; Mailstop E-32, Atlanta, Georgia 30333. A copy of Dr. Dyken's presentation is included below in Appendix 2.

EPA Report

Redevelopment Workshop - Wendy Thomi reported that as a result of consultations with Libby community economic development interests last month, planning is underway for a workshop in Libby on redevelopment topics scheduled for April 25 and 26, 2003. The workshop will be open to Libby residents and others interested in economic development in Libby. While EPA is not a development agency, it can assist with issues arising from the Superfund cleanup such as legal barriers to development. EPA is also seeking potential development partners from both the governmental and non-governmental sectors.

Audience Member Question - I have three concerns that I would like the CAG and EPA to address. First, I understand that the mill at Thompson Falls has held safety meetings with its employees concerning handling of asbestos contaminated timber from the Libby area. I ask EPA to look into whether contaminated timber is being shipped to mills outside of Libby. If it is happening, such shipments should be stopped to avoid spreading contamination to new sites. Second, I understand that \$17 thousand has been spent on a brochure to advertise Libby. The brochure apparently does not mention the asbestos contamination here. It should include a warning about the contamination. Third, I have heard that people are moving into homes without being told that the homes have asbestos contamination. EPA should make sure that this is not occurring.

Response by CAG Member - In my experience, people are not fearful about moving here because EPA is cleaning up the asbestos contamination. When I have had inquiries from people out of town, I refer them to EPA.

Response by Jim Christiansen - While we have work still to do to clean individual homes and gardens, Libby is a safe place to live and work. We have taken thousands of ambient air samples and have not detected any asbestos fibers. Libby no longer has an ambient air asbestos contamination problem. EPA is working to saturate the community about information on the progress of the cleanup.

CAG Member Question - Is EPA conducting ongoing air quality sampling?

Answer - EPA is not conducting daily sampling, but we are sampling in conjunction with the cleanup work.

Audience Member Comment - My family and I are recent members of this community having moved here four years ago from Hanford, Washington. Hanford has significant nuclear contamination of ground water that is not being cleaned up. Libby is safer place to live.

CAG Member Comment - The county has been sampling ambient air on top of the annex building. The CAG has not heard a report on the results of this sampling.

Response - An EPA contractor is compiling all ambient air sampling data gathered by EPA, Lincoln County and the Stimson mill. Data from some 38 thousand samples will be included. This compilation is almost finished and will be made available to the CAG and public when it is.

W.R. Grace Bankruptcy - Jim Christiansen introduced Andrea Madigan, an EPA attorney working on the W.R. Grace bankruptcy proceeding. Ms. Madigan reported on the bankruptcy activities. W.R. Grace has filed for a Chapter 11 bankruptcy. Under Chapter 11, the filing company continues to operate and reorganizes its finances to pay its creditors. The theory of Chapter 11 is that the creditors will receive a larger payment if the company survives than if its assets were sold and the proceeds distributed. W.R. Grace will prepare a plan of reorganization which will be voted on by its creditors. If the creditors approve it, the federal bankruptcy court will likely confirm it.

The bankruptcy proceeding considers two primary questions. First, what assets does W.R. Grace have? In 1996 and 1998, W.R. Grace spun off two of its divisions, one related to medical business, and one related to bubble wrap packaging, Sealed Air. EPA and two groups of W.R. Grace creditors have argued in the bankruptcy court that W.R. Grace did not receive a large enough payment for this asset transfer. This issue was recently settled, and the two former divisions returned \$1 billion to W.R. Grace. Discussions are under way about establishing a trust with these funds to pay future W.R. Grace asbestos victims. The second question is twofold, what are W.R. Grace debts and what should be paid on them? Answering this question and attempting to project what creditors and claimants will receive is difficult. One unresolved issue is whether homeowners will have a claim for the removal or abatement Zonolite attic insulation. W.R. Grace is arguing that the insulation is safe. The bankruptcy court is scheduled to decide if homeowners have a claim this summer. If the court rules that they do, as many as 15 million homeowners may have a claim. Three different types of health claimants are likely to be considered in the bankruptcy proceedings, people that are suffering asbestos related disease now, people with lung damage but who are not yet suffering, and people that have been exposed and will develop disease in the future. All such claims are given the same weight in the bankruptcy court. When assets are limited, allocating among these claimants will be difficult.

The bankruptcy court has set March 31, 2003 as the bar date for filing new claims. With two important exceptions, people will not be able to file claims after this date. These exceptions are claims for personal injuries and claims regarding only Zonolite insulation. No deadline exists for these two types of claims. Forms for filing claims can be obtained by calling 1-800-432-1909 or via the world wide web at www.graceclaims.com.

Comment by Alan Stringer - You do not print the claims forms directly from the web site. You request a form on the web site, and it is mailed promptly to you.

Audience Member Question - Who has to file a claim before the bar date?

Answer - Anyone with uncompensated out-of-pocket expenses such as business owners who lost income during a cleanup period.

Audience Member Comment- My business is not scheduled to be cleaned until this September, after the bar date. I don't know if I will have out-of-pocket expenses.

Response - You can file a contingent claim based on what you think your uncompensated expenses might be.

CAG Member Question - What about the loss of value in my house because of asbestos contamination?

Answer - I don't know. You should consult your attorney.

CAG Member Comment - I attended the American Bar Association (ABA) conference in Seattle addressing the asbestos litigation. We are trying to keep Libby situation separate because the impact of tremolite is different. We are also preparing to fight to keep our situation separate in Washington D.C.

CAG Member Comment - The Johns Mansville settlement dropped from 25¢ to 5¢ paid per dollar of claim.

Response - If the Zonolite claims are determined to be valid, the settlement in the W.R. Grace bankruptcy will also likely be small.

CAG Member Question - In what order are claims paid?

Answer - Pursuant to the bankruptcy code, secured claims, e.g. those based on a mortgage, are paid first. Those with priority include: lawyers, the IRS, employees with wage claims, and EPA cleanup costs. Unsecured claims including people not paid for services and people suffering damages have lower priority.

CAG Member Comment - Unsecured claimants won't get anything.

Answer - I'm not ready to say that unsecured claimants won't receive anything. We won't know until the bankruptcy court decides.

Audience Member Question - How many claims have been filed so far?

Answer - You can monitor the claim filings at www.uscourts.gov by clicking on bankruptcy court.

CAG Member Comment - Although Libby people probably cannot comply with the ABA guidelines, they may have some benefit to us. They may take out the mass claims, lessening the pressure on the bankruptcy court.

Audience Member Question - Should I be filing a claim if I have asbestos in my attic and my yard?

Answer - If EPA pays for the cleanup, and you have no out-of-pocket expenses, then you need not

file. If you pay for the cleanup yourself, then you might want to file.

CAG Member Question - Is EPA filing for cleanup costs at sites other than Libby?

Answer - Yes. EPA has incurred cleanup costs at some 27 sites. We will be trying to get back as much of these costs as possible from W.R. Grace.

CAG Member Question - You mentioned 27 sites. Aren't there some 200 sites with asbestos contamination? Have all of those sites been notified of the March 31, 2003 bar date?

Answer - EPA does not know what cleanup costs will be necessary at all of these sites. We have not issued a mass notification of the pending bar date.

Audience Member Comment - The other sites should be notified of the bar date.

Response - It is in W.R. Grace's interest to notify potential claimants, because if they are not notified then their claims are not discharged by the bar date. One of the reasons for not having a bar date for the potential Zonolite insulation claims is the lack of notice. If the bankruptcy judge decides that homeowners with Zonolite insulation can make a claim, the court will provide notice.

CAG Member Question - Will the Libby data base be available to the bankruptcy judge?

Answer - All data generated here is available to the public and claimants attorneys. If presented by the claimants in the bankruptcy proceeding, then the data will be available to the judge.

CAG Member Question - Could EPA file a contingent claim for Libby medical costs if a public health emergency is declared here?

Answer - The bankruptcy law does not provide for recovery of public health costs.

Asbestos Research Grant Update

Jenny Bland, Project Coordinator for the EPA asbestos research grant to the Libby Public Schools, reported on grant related activities. The grant is allowing the school district to compile a list of present and former students that may have been exposed to asbestos in Libby. The district is starting with present students and working backwards to former students. Preparing a brochure to mail to present and former students is on hold awaiting information from Dr. Spence and ATSDR about questions that should be included in it. Some 2,000 address labels are ready, and the district's goal is to have another 3,000 by the end of this year. We expect that many of the addresses will no longer be valid, so the district will pay so that the Post Office will return brochures mailed to invalid addresses.

Dan Straughnsbaugh stated that he would meet with Ms. Bland to discuss information for the brochure.

Mayor Berget

Mayor Berget passed out a letter to Governor Martz containing consensus recommendations from a community group concerning the use and administration of \$100 thousand of federal money for health care needs of people suffering from asbestos related disease or who will acquire such disease. The letter is included below as Appendix 2. The letter recommends that the money be administered by the Center for Asbestos Related Disease Board and that the money

be used to pay for direct patient and screening services at the CARD Clinic and to subsidize drug purchases through the Lincoln County Community Health Center for patients with asbestos related diseases. The group that developed the recommendation included representatives from the CAG, the Lincoln County Commissioners, the County Health Board, the City of Libby, the Asbestos Related Health Care Project, and St. John's Lutheran Hospital.

CAG Member Question - Who were the CAG members that participated in this group?

Answer - LeRoy Thom, Gary Spencer, Kerry Beasley, and Sandy Wagner. The group was facilitated by Rick Palagi. The Governor asked for representatives from the groups listed.

CAG Member Question - What was the source of the \$100 thousand?

Answer - We don't know.

Public Health Emergency Declaration Letter

Audience Member Question - Could we please have an update on the letter requesting the declaration of a public health emergency in Libby that the CAG decided to send last meeting and for which CAG members and members of the public created a signature page?

Response by Sandy Wagner - I drafted and circulated a letter to CAG members and took comments on it for five or six days. Gayla wrote a cover letter to Washington Senator Patty Murray. Ms. Benefield then took the letter and the signatures to the County Commissioners. The Commissioners wrote their own letter to accompany the CAG letter, and mailed the letters to Montana's Congressional delegation, Senators Baucus and Burns and Congressman Rehberg as well as Senator Murray. Ms. Wagner read the letter aloud. The letter is included below as Appendix 3.

Audience Member Comment - The letter should have also been sent to EPA Administrator Christy Todd Whitman.

Response - Our delegation has passed the letter to Administrator Whitman.

Response by Gerald Mueller - According to the summary of the January meeting, the CAG had agreed to send the letter to Montana's Congressional delegation with copies to the EPA Regional Administrator and the media.

CAG Member Comment - The letter won't do any good if federal legislation is passed that includes us.

CAG Member Question - Was a copy of the letter sent to the media and to Governor Martz?

Answer - No.

CAG Member Comment - At the January meeting, Wendy Thomi volunteered to provide us a media list to which we could mail.

Audience Member Question - Has a response to the letter been received from any of the members of our Congressional delegation?

Answer - No. We have had a conversation about the letter with Rebecca Manna, who is on Senator Baucus staff. We have not had a response from the other delegation members.

Comment by Jim Christiansen - As promised at the last meeting, I did brief Marianne Horinko about your desire for a public health emergency declaration.

CAG Member Comment - The CAG needs to pull together on this issue. We should form a subcommittee to work on it.

CAG Member Comment - This is another example of why the CAG should meeting twice a month. There is too much happening for one meeting a month to keep us up to date and involved in the issues we should be.

CAG Action - The CAG delegated Clinton Maynard, with assistance from other CAG members wishing to do so, to draft a cover letter to the media and the EPA for the letter drafted by Sandy Wagner requesting that a public health emergency be designated. The CAG will have a special meeting on next Thursday, February 20 to consider and approve the cover letter.

CARD Clinic Report

Kerry Beasley reported on behalf of the CARD Clinic. The Clinic is organizing a professional conference on asbestos for March or April.

Public Comment

No additional public comment occurred.

CAG Member Status

Gordon Sullivan resigned from the CAG.

Correction to the January Meeting Summary

Rick Palagi requested the first complete question and answer on page 4 of the summary read as follows:

CAG Member Question - What would St. John's Lutheran Hospital (SJLH) have to do to be able to handle a public health emergency? Is it a matter of staffing or equipment?

Answer by Rick Palagi - We can provide a variety of services to treat asbestos-related disease, but we can't provide all services. Since we don't know the definition of a public health emergency or the criteria for declaring one, I can't answer the question of what SJLH would have to do.

Next Meeting

The next regular CAG meeting is scheduled for Thursday, March 13, 2003 at 7:00 p.m. in the Ponderosa Room of Libby City Hall.

Appendix 1
CAG Member & Guest Attendance List
February 13, 2003

Members	Group/Organization Represented
Sandy Wagner	Community Health Center
George Keck	Technical Advisory Group
Robert Foote	Libby Ministerial Association
Craig French	Montana Department of Environmental Quality
Bob Zimmerman	Cabinet Resources Group
Bob Dedrick	Asbestos Victim
George Bauer	City of Libby
Kerry Beasley	St. John's Lutheran Hospital
Ken Hays	Senior Citizens
Richard Flesher	Asbestos Victim
Gordon Sullivan	Self
Wendy Thomi	EPA Community Involvement Coordinator
Jim Christiansen	EPA
LeRoy Thom	Former Grace Employee
Dan Straughsbaugh	ATSDR
Clinton Maynard	Area Asbestos Research Group
Gary D. Swenson	Libby Fire Department
Norita Skramstad	Asbestos Victim
Gayla Benefield	LCAVRO
David F. Latham	<i>The Montanian Newspaper</i>
Visitors	
Andrea Madigan	EPA
John Wardell	EPA
Dr. Jill Dyken	ATSDR
Jenny Bland	Libby Public Schools

Appendix 2

Agency for Toxic Substances and Disease Registry (ATSDR)

- ATSDR is a federal public health agency of the U.S. Department of Health and Human Services.
- ATSDR serves the public by using the best science, taking responsive public health actions, and providing health information to prevent harmful exposures and disease related to toxic substances.
- Congress mandates that we produce a public health assessment (PHA) for

Libby Asbestos NPL Site PHA Data Used

- Historical and current Libby asbestos sampling data
- Site-specific information
- Health outcome data
 - Mortality review and worker cohort studies
 - Results of medical testing program
 - Anecdotal information on health effects
- Community concerns

Conclusions

- Past exposure to hazardous levels of asbestos occurred.
- Death and disease from asbestos is elevated in Libby.
- Source areas are still of concern, especially to sensitive populations.
- Continuing exposures to source areas may pose an unacceptable risk.
- Past and current cleanup actions are protective of public health.

Recommendations

- Continue to investigate and clean up the site to remove or reduce sources.
- Conduct toxicological studies of risk of low-level community exposures to Libby asbestos.
- Conduct health education, especially concerning smoking and asbestos.
- Create a registry to track former workers and their families.
- Provide information to the community about the hazards of Libby asbestos.
- Provide information to the medical community about diagnosis and treatment of asbestos-related disease.

Public Health Actions

- ATSDR will maintain the Tremolite Asbestos Registry to track former workers and their families.
- ATSDR will fund the state of Montana to provide ongoing medical testing in Libby.
- ATSDR will work with EPA as they continue investigating and cleaning up the site.
- ATSDR will evaluate the mine site (0U3) at a later date.

Public Health Assessment Process

- Initial release — to agencies (data check) ∂ September 30, 2002
- Public comment release — input from community members and others ∂ December 18, 2002 through March 14, 2003
- Final release — addresses public comments; revised as appropriate ∂ Summer 2003
- Follow-up and Site Updates ∂ As necessary

Address for Comments

Chief, Program Evaluation, Records and Information Services Branch
ATSDR
1600 Clifton Road, NE
Mailstop E-32
Atlanta, Georgia 30333

Comment Period Ends March 14, 2003

Appendix 3



February 10, 2003

Honorable Governor Judy Martz
Capitol Building
Helena, Montana 59604

Dear Governor Martz:

First and foremost thank you for facilitating and securing the \$100,000 of federal funding that will come to Libby for the health care needs of people suffering from or potentially will acquire asbestos related disease. We are very appreciative of your efforts.

As you requested, we have arrived at a community consensus and recommendation as to the use and administration of this \$100,000. This consensus was developed at a Thursday, February 6, 2003 meeting and included representatives from the County Commissioners, the County Health Board, the City of Libby, the Center for Asbestos Related Diseases (CARD), the Lincoln County Community Health Center (LCCHC), the Asbestos Related Healthcare Project (ARHCP), St. John's Lutheran Hospital (SJLH), the EPA's Citizen's Advisory Group (CAG) as well as patients with asbestos related disease (ARD). We had a lengthy discussion as to the highest and best use of this money over the many needs that patients may have.

The unanimous position of the group was that the \$100,000 would best be utilized and meet the most needs by having it administered by the Center for Asbestos Related Diseases Board. It would be used to fund the direct patient care and screening services provided by the CARD Clinic which includes the only onsite specialty care available in the community provided by a pulmonologist. In addition, part of these funds would be earmarked for the Lincoln County Community Health Center to help establish a subsidized pharmaceutical program for ARD patients. Used in this way the money would address the two highest patient care needs; that is, the high cost of respiratory related pharmaceutical medicines and the provision of ongoing monitoring and specialty physician care.

Should our first recommendation not be acceptable a second choice priority would be to place the money in the ARHCP settlement fund to be administered by its Board. This is

also a 501(c)3 charitable community corporation. The funds would be expended in the same fashion described above with only a different administrative agent. Our group felt that the more direct and less bureaucratic way would be for the funds to be placed with the CARD Board to administer rather than the ARHCP Board.

For your information, as the facilitator I abstained from the decision making process to ensure that my role as CEO of St. John's would not be a conflict of interest. Thank you for your confidence and the opportunity to serve in this fashion.

Sincerely,

Richard Palagi, MSHA, CMPE, CHE
Chief Executive Officer

c: Jean Branscum

Appendix 4

January 16, 2003

Honorable Denny Rehberg
516 Cannon MOB
Washington, DC 20515

Re: Libby Asbestos Issue Dear Honorable Rehberg:

As we begin a new year, the Libby community would like to take this opportunity to thank you and your staff for your commitment and the many hours of work your office devoted to assisting us in identifying and finding workable solutions to the WR Grace toxic contamination issues. Together, we have come along way since November, 1999 but we still have many challenges before us in 2003.

Working together, progress has been made. ATSDR screened over 7000 persons to determine the scope of the health impact on our citizens and are now in the early stages of establishing a registry of our exposed population. Libby School District has received a small grant that enables them to establish a registry of our "at-risk" school age children. Nearly 1700 children have been entered into the data base at this early point in the process.

Federal funds have allowed us to update our local hospital facility and operate the Center for Asbestos Related Disease and the CORA program for the past two years. We now have the Lincoln County Community Health Center to benefit not only those affected by asbestos related disease but every citizen in need of primary health care services.

The EPA Emergency Response team sent to Libby has done an excellent job of addressing a toxic waste situation of a magnitude never seen before in America. With the joint co-operation of our city, county, state and federal officials, Libby is now an NPL site and beginning the property clean-up operations. We applaud your efforts in making the remediation process move quickly and assisting us in identifying a mechanism whereby Zonolite insulation could be removed from our homes and businesses.

We still have several challenges before us in the next several months. Though we have made small strides in addressing our peoples health care needs on a short term basis, no long term commitment to assist with the specialized health care coverage required by some 1200 individuals to date and probably several thousand over the course of the next 40-50 years has materialized. We have not been able to identify any truly 'comprehensive' solution to date. We do know that the responsible party. Wit Grace has filed bankruptcy and consequently the victims of their deceitful practices will never be compensated for their losses. We know that Grace's voluntary Libby Medical Plan, limited at best, could be discontinued tomorrow. We do know that the health care costs associated with this disease could bankrupt the already financially strapped State of Montana and severely impact the federally funded Medicare system. We do know that without a comprehensive long term medical program tailored to the needs of this potentially fatal

January 16, 2003

disease, many affected individuals will die destitute. We know that we as a community have an obligation to work closely with our political leaders, our health care professionals, and those affected by this atrocity to find a means by which these individuals have access to the best health care available.

We are asking for your office contact the appropriate parties to again consider declaring a public health emergency as defined in CERCLA but this time focusing the need to use this mechanism to provide the appropriate and adequate health care services for the asbestos related disease population. Libby's situation is most unique; we have had 40 years of unregulated exposure to the deadly toxic tremolite asbestos fiber. As there has only been one 9/11, there has only been one Libby-we are the definition of a true "public health emergency". It is not necessary that the federal government rush to Libby and build a hospital with a long term nursing care wing. We can upgrade our existing services, co-ordinate with other facilities in the immediate area such as Kalispell, Missoula, and Spokane. At a fraction of the cost associated with "reinventing" the wheel and at the same time helping to stabilize our local economic base, we can provide our people with a comprehensive, flexible medical coverage program. To further discuss this concept and to prepare ourselves for the "next" step. we are asking that you or a representative from your office attend our next community advisory group meeting scheduled for February 3, 2003 at 7:00 PM in the Ponderosa Room of the Libby City Complex. Your input is vital to our moving forward on this urgent issue.

Please forward your comments to the CAG at P.O. Box 53, Libby, Montana. You may also fax your response to 406-293-6969.

Thank you and we look forward to seeing you in Libby on February 13th.

Sincerely,

Community Advisory Group
(Signature Page Attached)